

CAPCO GROUP TREASURY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Company number 6451189



CAPCO GROUP TREASURY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors submit their report and audited financial statements of the Company for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The Company's principal activity is that of carrying out treasury activities for fellow group undertakings of Capital & Counties Properties PLC.

BUSINESS REVIEW

The Company's results and financial position for the year ended 31 December 2012 are set out in full in the profit and loss account, the balance sheet, and the notes relating thereto.

The Company's performance was broadly in line with expectations. Foreign exchange losses have reduced significantly in the year due to the repayment of the Company's US Dollar denominated loan.

Loss on ordinary activities before taxation was £3,091,000 (2011: £3,592,000). Shareholders' funds at 31 December 2012 were £228,263,000 (2011: £231,354,000).

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

DIVIDENDS

The directors do not recommend the payment of a dividend for 2012 (2011: £nil).

DIRECTORS IN THE YEAR

The directors of the Company who were in office during the year and up to the date of signing the financial statements are given below:

S Das
I D Hawksworth
G J Yardley
B S Tattar

CAPCO GROUP TREASURY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

DIRECTORS INDEMNITY

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's ultimate parent company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Group, including the Company and its directors.

CAPCO GROUP TREASURY LIMITED

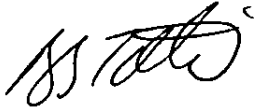
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the Company is not required to hold an annual general meeting accordingly, the auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial period.

By order of the Board



B S Tattar
Director
24 June 2013

CAPCO GROUP TREASURY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPCO GROUP TREASURY LIMITED

We have audited the financial statements of Capco Group Treasury Limited (registered company no. 6451189) for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 in the Directors' Report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CAPCO GROUP TREASURY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPCO GROUP TREASURY LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Pugh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 June 2013

CAPCO GROUP TREASURY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Continuing operations			
Interest receivable and similar income		10,124	6,636
Interest payable and similar charges		(11,539)	(6,875)
Net finance expense	2	(1,415)	(239)
Administrative expenses		(759)	(324)
Foreign exchange losses		(16)	(3,029)
Exceptional items	3	(901)	-
Loss on ordinary activities before taxation	4	(3,091)	(3,592)
Taxation	5	-	-
Loss for the financial year		<u>(3,091)</u>	<u>(3,592)</u>

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore a statement of total recognised gains and losses has not been included.

There is no difference between the loss on ordinary activities before taxation and the loss for the year and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

CAPCO GROUP TREASURY LIMITED

BALANCE SHEET AT 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Non-current assets			
Debtors greater than one year	6	<u>62,097</u>	<u>-</u>
Current assets			
Debtors less than one year	7	1,096,686	1,009,933
Cash at bank and in hand	8	<u>151,372</u>	<u>63,115</u>
		1,248,058	1,073,048
Creditors: amounts falling due within one year	9	(1,081,892)	(841,694)
Net current assets		166,166	231,354
Net assets		<u>228,263</u>	<u>231,354</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss reserve	11	<u>228,263</u>	<u>231,354</u>
Total shareholder's funds		<u>228,263</u>	<u>231,354</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 have been approved by the Board of Directors on 24 June 2013 and signed on its behalf by


G J Yardley
Director


B S Tattar
Director

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards.

The principal accounting policies are set out below:

Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded at the exchange rate prevailing at the transaction dates. Foreign exchange gains and losses resulting from settlement of these transactions and retranslation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Interest receivable

Interest receivable is shown gross before deduction of income tax and is included on an accruals basis.

Interest payable

Interest payable is recognised on an accruals basis.

Taxation

The charge for current taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed, and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deeply discounted bonds

Deeply discounted bonds are recognised initially at their net proceeds on issue, as an approximation of their fair value, and subsequently carried at their amortised cost. The discount applied is unwound over the period to maturity using the effective interest rate.

Cash flow statement

The Company is not required to produce a statement of cash flows under Financial Reporting Standard 1 (Revised 1996) as at 31 December 2012 it is a wholly owned subsidiary of Capital & Counties Properties PLC and the cash flows of the Company are included in the consolidated financial statements of the ultimate parent company, which are publicly available.

Related party transactions

The Company is ultimately wholly owned by Capital & Counties Properties PLC, whose consolidated financial statements are publicly available, and therefore the Company is exempt under the terms of Financial Reporting Standard 8 from disclosing details of transactions with related parties who are members or investees of the Capital & Counties Properties PLC group.

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies (continued)

Financial instruments

The Company is not required to meet the disclosure requirements for the financial instruments as set out under Financial Reporting Standard 29 as it is a wholly owned subsidiary of Capital & Counties Properties PLC whose consolidated financial statements are publicly available.

Exceptional items

Exceptional items are in the directors' view, those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

2. Net finance expense

	2012 £'000	2011 £'000
Interest receivable from group undertakings	7,291	5,890
Other interest receivable and similar income	2,833	746
Interest receivable and similar charges	10,124	6,636
Interest payable to group undertakings	(11,532)	(6,875)
Other interest payable and similar income	(7)	-
Interest payable and similar charges	(11,539)	(6,875)
Net finance expense	(1,415)	(239)

3. Exceptional items

	2012 £'000	2011 £'000
Related party debt waiver granted	901	-
Exceptional items	901	-

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

4. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation of £3,091,000 (2011: £3,592,000) is arrived at after charging:

	2012 £'000	2011 £'000
Auditors' remuneration – audit services	nil	nil
Directors' remuneration	nil	nil

Auditors' remuneration of £2,000 (2011: £2,000) was settled on behalf of the Company by its parent, Capital & Counties Properties PLC, and has been recharged.

There were no employees during the year (2011: nil).

5. Taxation

The differences between the taxation charged for the year and the current standard average rate of United Kingdom corporation tax 24.5% (2011: 26.5%) are shown below:

	2012 £'000	2011 £'000
Loss on ordinary activities before taxation	<u>(3,091)</u>	<u>(3,592)</u>
United Kingdom corporation tax at 24.5% (2011: 26.5%)	(757)	(952)
Effects of:		
Transfer pricing adjustment	560	(54)
Group relief	(24)	1,006
Non-taxable loan waiver	<u>221</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

6. Debtors greater than one year

	2012 £'000	2011 £'000
Investment in deeply discounted bonds	<u>62,097</u>	<u>-</u>

Deeply discounted bonds with a nominal value of £104,983,415 were issued by a related group undertaking of the ultimate parent company Capital & Counties Properties PLC on 24 August 2012 at an initial price of £59,570,409. The bonds are redeemable at their nominal value on 24 August 2017. Interest is accrued at a rate of 12%.

7. Debtors less than one year

	2012 £'000	2011 £'000
Accruals finance	2,745	2,762
Amounts due from group undertakings	<u>1,093,941</u>	<u>1,007,171</u>
	<u>1,096,686</u>	<u>1,009,933</u>

Amounts due from group undertakings are unsecured, interest bearing and callable on demand.

8. Cash at bank and in hand

	2012 £'000	2011 £'000
Cash at bank	872	81
Cash on short term deposit	<u>150,500</u>	<u>63,034</u>
	<u>151,372</u>	<u>63,115</u>

CAPCO GROUP TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts due to group undertakings	<u>1,081,892</u>	<u>841,694</u>

Amounts due to group undertakings are unsecured, interest bearing and repayable on demand.

10. Called up share capital

	2012 £	2011 £
Issued, called up and fully paid 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

11. Profit and loss reserve

	2012 £'000	2011 £'000
At 1 January	231,354	234,946
Loss for the year	<u>(3,091)</u>	<u>(3,592)</u>
At 31 December	<u>228,263</u>	<u>231,354</u>

12. Ultimate parent company

The ultimate and immediate parent company is Capital & Counties Properties PLC; a company incorporated and registered in England and Wales, copies of whose consolidated financial statements may be obtained from the Company Secretary, 15 Grosvenor Street, London, W1K 4QZ.